

N. S. Savannah

Statements by Drew Pearson

1. Radio, January 6th

". . .the opposition will not be based on religion, but because McCone holds stock in a shipping company and as Chairman of the Atomic Energy Commission gave the merchant ship Savannah to the States Marine Company, closely affiliated with McCone's own shipping line."

2. N.S. Savannah - 1/17/62

"The contract for the operation of the Savannah ended up through a mysterious set of circumstances in the hands of States Marine, which happens to be in partnership with John McCone, who at the time the Savannah contract was let was Chairman of the Atomic Energy Commission.

3. January 25      McCone testified last week:

"This contract was negotiated during the spring of 1958. It was awarded on the 6th of June of 1958. I took office the 9th or 10th of July, some six weeks later."

Maritime records disclose, however, that the contract wasn't awarded until July 25, 1958. Even more significant, it was held up by the Atomic Energy Commission, which wanted the language revised.

All this happened while McCone was Chairman. This makes clear (1) that the AEC participated in preparing the States Marine contract, and (2) that the final drafting occurred after McCone became Chairman.

Savannah Facts Developed

Official AEC records reveal that on June 6, 1958, Mr. W. Kenneth Davis, Director, Division of Reactor Development, wrote to Mr. K. E. Fields, General Manager of the AEC stating:

"The Maritime Administrator reviewed the Board's (Maritime Administration-AEC Selection Board) record and recommendations with the result that in his opinion the Board's criteria for operator selection placed too great an emphasis on round-the-world passenger-cargo operations, and by so doing gave a weighted advantage to those operators presently involved in round-the-world service. The Maritime Administrator, considering all factors, determined that it would be to the best interest of the Government if States Marine Lines' proposal be accepted as a basis for contract negotiations as operator of the N. E. SAVANNAH. Further, the Maritime Administration is better qualified to determine the ship operator most competent to operate complex seagoing vessels. In recognition of this fact, the Division of Reactor Development does not object to this decision."

The above clearly indicates that the decision to award the operating contract for the SAVANNAH was made by the Maritime Administrator, not the AEC; that the extent of AEC participation was to offer "no objection" to the Maritime decision, and finally, the Maritime decision was made several weeks prior to Mr. McCone's joining the AEC.

Quite obviously the development of the contract for the operation of the SAVANNAH, the first nuclear powered merchant ship, probably would require staff assistance from the AEC because of the special nature of the ship. However, at no time was the contract referred to or approved by the Commission or its Chairman.